

Dhanabalan steps down, Lim Boon Heng to become Temasek Chairman

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SINGAPORE – After almost 17 years, there will be a new man tasked to oversee the management of the country's investments and assets built up over the first decade of nation building.

Yesterday, Temasek Holdings — incorporated in 1974 to hold and manage the investments and assets previously held by the Government since independence — announced that its Chairman, Mr S Dhanabalan, will of-

ficially step down on Aug 1, just before his 76th birthday next month, and take on the role of honorary adviser.

Mr Dhanabalan, a former Cabinet minister who has a distinguished public service record, will be replaced as Chairman by former Minister in the Prime Minister's Office and labour chief Lim Boon Heng, who stepped down from politics in 2011.

The announcement came less than three weeks after Temasek published its latest annual performance review, which showed that its portfolio grew

to a record S\$215 billion as at March 31 this year. When Mr Dhanabalan took the helm in September 1996, Temasek's portfolio stood at S\$70 billion.

Mr Lim, 65, who joined Temasek's board in June last year, was "elected unanimously" by the board to take over from the firm's third and longest-serving Chairman, the company said.

In a press release, Temasek added that Mr Dhanabalan's 17-year leadership was "marked by his clarity of purpose and a deep commitment to the larger good".

It also described his successor as a "shipping pioneer and a well-respected retired union and political leader".

On his new appointment, Mr Lim said he was "very honoured to have this opportunity to work with the board and management to take the company forward".

He added: "Temasek is a key Singapore institution and an Asia-focused investment house. It has a portfolio of strong companies and a remarkable team of global talent. The energy and

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the drive of the management and staff are very impressive.”

Mr Lim worked in Neptune Orient Lines (NOL) for a decade before becoming a Member of Parliament for Kebun Baru in 1980. During his political career, he served in various key positions, including Deputy Speaker of Parliament, Secretary-General of the National Trades Union Congress and Minister in the Prime Minister's Office.

Analysts noted that although Mr Dhanabalan had a richer commercial background in comparison to Mr Lim, the role of Temasek chairman did not require someone with in-depth knowledge of financial investments. CIMB Research regional

economist Song Seng Wun said: “At a time when Temasek is growing in size and opening up offices around the world, Mr Lim’s people skills will come in in gelling the firm’s teams across the world.”

Mr Song also noted that Mr Lim has had more than a year familiarising himself with Temasek’s work. “Perhaps he was brought in last year (as a board member) with an eye on taking over as Chairman,” he said.

Agreeing, Singapore Management University Vice-President of Business Development and External Relations Annie Koh said: “Temasek’s investments are for the long haul and in today’s times, even investments are a ‘people business’.”

NRA Capital Executive Chairman Kevin Scully added that Mr Lim’s ministerial experience can be transferred to this new “oversight role as custodian of one of the Government’s two investment vehicles”.

At a press briefing, Mr Dhanabalan said Temasek has a “fairly open

“culture” where the Chairman can work with senior staff without having to go through the Chief Executive “and I think Lim Boon Heng will fit perfectly well in this culture”.

He added of Mr Lim: “He was at NOL before politics, plunged into the union movement, which he knew nothing about and he made a fantastic success wherever he was. So adaptability, ability to learn, rapport with people ... I think he has all, in my view, that’s required to be a good Chairman of Temasek.”

He also noted that Temasek’s direction is determined collectively by the board and management and not by “the whims of one person at the top”.

Asked about the challenges that Mr Lim would face, Mr Dhanabalan said it would be maintaining “a steady trend of increase in value” of Temasek’s portfolio over the next five to 10 years, despite the increasingly volatile macro-economic environment.